TENNESSEE GENERAL ASSEMBLY FISCAL REVIEW COMMITTEE



CORRECTED FISCAL NOTE

HB 3268 - SB 3250

April 1, 2010

SUMMARY OF BILL: Creates a presumption that an infectious disease acquired by an emergency rescue worker was acquired in the line of duty.

ESTIMATED FISCAL IMPACT:

On February 16, 2010, we issued a fiscal note with an impact of *increase state expenditures* – *exceeds* \$25,000 and *increase local expenditures* – *exceeds* \$100,000. Due to additional information received from the Department of Treasury, the fiscal impact of the bill has been corrected as follows:

(CORRECTED)

Increase State Expenditures – Exceeds \$37,800

Increase Federal Expenditures - \$4,300

Increase Local Expenditures – Exceeds \$100,000*

Assumptions:

- According to the Department of Commerce and Insurance, this legislation is estimated to increase the number of firefighters who receive a death benefit by at least one per year. The increase in state expenditures is estimated to be at least one death benefit of \$25,000.
- According to the Department of Treasury, this legislation is estimated to increase the number of firefighters who receive a disability benefit by at least one over a 20 year period, with a lump sum pension liability estimated at \$173,300. The annual cost to amortize the additional liability over 20 years is estimated to be \$17,000, of which 75 percent is paid by the state and 25 percent is paid by the federal government. State expenditures are estimated to increase \$12,750 (75% of \$17,000) and federal expenditures are estimated to increase \$4,250 (25% of \$17,000).
- According to the Department of Safety (DOS), this legislation will not have a fiscal impact on DOS.

• Local government expenditures are expected to increase due to additional worker's compensation claims. This increase is estimated to be in excess of \$100,000.

*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

James W. White, Executive Director

/kmc